

MINISTRY OF FINANCE

BUDGET CIRCULAR
No. 6/2014 dated 30th September, 2014

DRAFT ESTIMATES OF REVENUE AND EXPENDITURE,
INCLUDING THE INCOME AND EXPENDITURE
OF SPECIFIED STATUTORY BOARDS
AND SIMILAR BODIES

FOR FISCAL YEAR
2015

PLEASE READ CAREFULLY BEFORE PREPARING THE REQUIRED ESTIMATES AND REPORTS

30 September, 2014

CIRCULAR NO. 6/2014

From: Financial Secretary, Ministry of Finance
To: All Ministers/Permanent Secretaries/Chief Establishment Officer/Director of Public Prosecutions/Director of Audit/Heads of Division/Heads of Non-Ministerial Departments
Subject: Draft Estimates of Revenue and Expenditure for Fiscal Year 2015

1. Introduction

- 1.1. This Circular provides Ministries and Government Departments with instructions which should be followed in the preparation of their draft estimates for the fiscal year 2015.
- 1.2. The opportunity is again taken to emphasize the great importance which the Ministry of Finance attaches to these draft estimates. The instructions contained in the Circular **should be strictly adhered to.**
- 1.3. All estimates must reach the Ministry of Finance **NOT LATER THAN 17th OCTOBER, 2014.**
- 1.4. As usual, the instructions contained in this Circular relate to the following components of Government operations into which the draft estimates may be conveniently divided:-
 - (i) Revenue
 - (iii) Recurrent Expenditure
 - (iii) Development Programme (including any Long-term Development Fund)
- 1.5. **IN THE CASE OF RECURRENT AND CAPITAL EXPENDITURE, MINISTRIES AND DEPARTMENTS SHOULD ENSURE THAT THEIR OVERALL REQUESTS FOR FUNDS FOR 2015 SHOULD BE BASED ON THEIR EXISTING PROGRAMMES.**
- 1.6. In the case of Capital (Development Programme) Expenditure, Ministries/Departments should ensure that their total requests for funds are contained within the projects or programmes for 2015 as contemplated by the current Development Plan and the Public Sector Investment Programme (PSIP). Further, only funded Projects as prioritized in paragraph 4.8 of this Circular are likely to be accommodated in the 2015 Budget. It is highly unlikely that financing will be available for new or continuing projects or other capital items. In respect of the new projects or programmes, the source of funding should to be identified, as financing will not be available from the Consolidated Fund.
- 1.7. **IN ORDER TO PLAN MORE EFFECTIVELY THE ALLOCATION OF GOVERNMENT'S SCARCE FINANCIAL RESOURCES, MINISTRIES AND DEPARTMENTS ARE REQUIRED TO SUBMIT THEIR ESTIMATES OF RECURRENT REVENUE AND RECURRENT EXPENDITURE PROJECTED ON BOTH AN ANNUAL AND A MONTHLY BASIS. DO NOT SIMPLY DIVIDE THE ANNUAL FIGURE BY TWELVE. THE MONTHLY PROJECTIONS MUST BE BASED ON EITHER PAST TRENDS OR FUTURE ACTIVITIES AS YOU WOULD HAVE PLANNED THEM FOR EACH MONTH.**

2. Revenue (including Capital Receipts)

- 2.1. The Annual Estimates of revenue for 2015 should be prepared along the lines of the 2014 Estimates forms and should be submitted to reach the Ministry of Finance **NOT LATER THAN 17th OCTOBER, 2014**. The data should be presented in the form specified in **Appendix I (a)**.
- 2.2. **IN ADDITION, THE ANNUAL ESTIMATES OF REVENUE SHOULD BE BROKEN DOWN ON A MONTH-BY-MONTH BASIS AND SHOWN SEPARATELY IN THE FORM SPECIFIED IN APPENDIX I (b) ENTITLED “MONTHLY PROJECTIONS OF REVENUE FOR FY 2015”.**
- 2.3. Each Sub-Head (i.e. Ministerial Department/Division) should be shown on a separate sheet in the form specified in **Appendices I (a) and I (b)**. The descriptions of the Head, Sub-head and item should be identified with those appearing in the Estimates for 2015, modified by such amendments as may have taken place during the course of the year.
- 2.4. Estimates should be stated to the **nearest dollar** and be as accurate as possible. They should be based on the most current information on actual collections, historical trends and any new revenue measures that may have been proposed.
- 2.5. The assumptions on which the **revised** estimates for 2014 and the estimates for 2015 are based, should be clearly stated and supported by statistical data to facilitate analytical review. Full explanations should be given for the inclusion of new items and variations in the description of any item or sub-item.
- 2.6. Proposals for increasing revenue from existing sources and for the production of new sources of revenue should be submitted under separate confidential cover. **Ministries and Departments are strongly urged to submit recommendations for increasing Government’s revenue flow.**
- 2.7. More intensive efforts should be applied to reduce the accumulation of arrears of revenue. The estimates for 2015 should reflect provision for such arrears that are likely to be collected during the course 2014. In this connection, a separate statement is required showing:
 - (i) The total arrears outstanding as at 31st December, 2014;
 - (ii) The amount of these arrears which is likely to be collected during 2015. Where there are no arrears due to be collected, this should be so stated.
- 2.8. Attention is drawn to Section 16 “*Public money received to be properly accounted for*” and Section 87 “*Procedure for accounting for and banking public money*” of the Financial Regulations of 2006. All concerned are reminded of what should transpire when monies are received on behalf of the government of Antigua & Barbuda. In this connection, Ministries and Departments are encouraged to take positive measures to correct any deficiencies which may exist in the revenue collecting machinery with a view to achieving the targets set out in the Revenue Estimates.

3. Recurrent Expenditure

- 3.1 Each **Ministry** must submit their **BUSINESS PLAN** that reflects the implementation of projects or programmes proposed for 2015. This plan should be included in the form specified in the **Budget Plan Template Booklet**.
- 3.2 Please refer to Section 26 of the Finance Administration Act of 2006.
- 3.3 The Annual Estimates of Recurrent Expenditure for 2015 should be prepared in accordance with the format as shown in Appendix II(a) and submitted to reach the Ministry of Finance **NOT LATER THAN 17th OCTOBER, 2014**.
- 3.4 **IN ADDITION, THE ANNUAL ESTIMATES OF RECURRENT EXPENDITURE SHOULD BE BROKEN DOWN ON A MONTH-BY-MONTH BASIS AND SHOWN SEPARATELY IN THE FORMAT SPECIFIED IN APPENDIX II (b) ENTITLED “MONTHLY PROJECTIONS OF RECURRENT EXPENDITURE FOR FY 2015”. THE EXPENDITURE REQUEST FOR ANY PARTICULAR MONTH SHOULD**

REFLECT HISTORICAL TRENDS OR HOW YOU PLAN TO INCUR THE EXPENDITURE. **DO NOT SIMPLY DIVIDE THE ANNUAL ESTIMATE BY TWELVE.**

- 3.5. The allocation of staff hours of each individual staff member for both established and non-established workers should be done on the Activity Forms specified in **appendix II (c).**
- 3.6. **In order to ensure compliance with the requirements of Sections 95, 96 and 109 of the Constitution, Permanent Secretaries and Heads of Department are requested to identify in their draft estimates any sum provided under Personnel Expenditure and/or other items which, under the Constitution, are to be excluded from the 2015 Appropriation Bill. In effect, you are required to identify the Statutory Expenditures in your draft estimates. You are requested to state the applicable Section of the Constitution as well as any relevant ancillary legislation.**
- 3.7. The following guidelines are issued for the preparation of the draft estimates:-
- (i) All estimates must conform to the policies of the Government as contained in Cabinet Minutes, Budgetary Plan and other authoritative documents and statements issued by the government from time to time;
 - (ii) **All estimates must be completely justified with respect to the objectives and plans of the government, with due regard being paid to the capacity of Ministries and Departments for implementing them and the timing appropriate to such implementation;**
 - (iii) All estimates must be based on the most economical and efficient manner of carrying on the work of the Ministries and Departments;
 - (iv) Every effort must be made to maintain personnel requirements and Government employment at a level consistent with the efficient, effective and economical administration of Government programmes. **Accordingly, each Ministry/Department is reminded that there should be no new employment FY 2015.**
- 3.8. Preparation of the Draft Annual Estimates for 2015 should also conform to the following:-
- (1) Personnel Expenditure
 - (i) The numbers on the establishment 2015 should be shown for each post.
 - (ii) **Separate lists of Established and Non-established employees should be provided, showing name of each employee, job title/function salary scale and annual salary in respect of 2015. The total number of actual employees and the total salaries and wages should be shown on each of these lists.**
 - (iii) The prior approval of Cabinet should be obtained for any new recruitment or other increases in the number of persons in the permanent establishments, while prior approval is required from the Ministry of Finance for any increase in the non-established workers over the 2014 estimates. **No budgetary request for increased employment will be considered unless supported by a copy of the relevant Cabinet Decision and Ministry of Finance Authorization.**
 - (iv) Scales, Grades and Salaries pertaining to established posts must be checked carefully against the relevant letters of appointment from the Establishment Department to ensure consistency and accuracy in the draft estimates. Errors in the stating of Scales or Salaries can cause payment problems after the Budget has been passed by Parliament.

(2) Other Expenditure

- (a) The following details should be shown for each item and/or sub-item of annualized expenditure:-
 - (i) One column for 2013 Committed expenditure;
 - (ii) One column for 2014 revised estimates of expenditure;
 - (iii) One column for 2015 budgetary provision;
- (b) In the case of the 2013 Committed Expenditure, the figures inserted must be taken from Ministry's/Department's votebooks and appropriate notes and explanations made where necessary.
- (c) All outstanding commitments for FY 2013 up to August 2014 must be submitted on the form provided marked Appendix VI.

3.9. Under no circumstance must provision be made in the draft estimates for "unforeseen" or "miscellaneous" expenditure as no inordinate growth in expenditure will be permitted.

3.10. **Departments must reconcile and indicate clearly all the outstanding arrears and unpaid vouchers or the portion therefore in Appendix VI. Additionally, all arrears or portions thereof that would be paid from the 2014 budget amounts should also be identified in Appendix VI. These obligations and commitments may include sums in respect of services rendered or goods purchased in the previous year, in which instances the sums due must be identified and appropriate explanations given.**

Alterations of Draft Estimates Submitted

3.11. Any requested amendments will not be considered after October 24, 2014.

Personnel Expenditure – Establishment Items

3.12. The Draft Estimates for 2015 should reflect the most efficient utilization of manpower. Provision for overtime payments to salaried staff should be shown as a separate item. The following procedure should be followed:-

- (a) The full number of employee positions and names should be shown in the designated column on the Activity Forms (Appendix II(c)).
- (b) For each item (salaries, wages, allowances both established and non-established), provision should be made for the number of positions shown in the column
- (c) A list, according to items in the "Details of the Establishment", should also show all posts at the time the Draft Estimates are being prepared.

Such list should indicate in specific detail:

- (i) those posts in which officers are acting; i.e. "positions filled", their salary scale and annual salary.
- (ii) those posts which the Establishment Department is already in the process of filling or posts reasonably expected to be filled within FY 2015 i.e. "vacancies to be filled"; their salary scale and annual salary.
- and (iii) those posts not expected to be filled in FY 2015

3.14. For other than salaried employees, estimates must be based on a 40 hour work-week and numbers of personnel employed. In general, no provision should be made for overtime except where the Ministry/Department is required in its normal course of business to function outside the normal working hours, in

which case the expenditure on overtime for 2014 and the provisions for 2015 should be shown separately.

Staff Concerned with Expenditure Estimates

- 3.20. To facilitate quick contact with Department officers concerned with Estimates, Ministries and Departments are requested to inform the Budget Office of the names and telephone numbers of senior officers dealing with estimates. Preparer of draft estimates must also clearly print their names below their signatures on the prescribed forms.
- 3.21. Enquiries concerning the compilation of the Estimates of Recurrent Expenditure should be addressed to:
- The Budget Director – Telephone 462-5015
The Financial Secretary – Telephone 462-5002

4. Development Expenditure
(including Expenditure from Funds
for Long-Term Development

- 4.1 Detailed proposals with respect to development programme projects to be executed in 2015 under each Ministry/Department of Government are to be submitted to reach the **Development Planning Unit (DPU) not later than October 10, 2014.**
- 4.2. It is of the utmost importance that care be taken to fulfill all the requirements of this section of the Circular, beginning from the date for submission mentioned above, so as to avoid delays that will prevent in the implementation of capital projects in 2015.

The Draft Estimates

- 4.3. Projects in Existence

Projects that have been previously approved by and that have started the PSIP process should be submitted in the form shown in **Appendix III (a)**. Additionally, projects that were started in FY 2014 by use of Special Warrants should also be submitted in the PSIP proposal format and sent to the DPU. Failure to do so will result in these projects not being considered for continuation.

For Departments who have submitted proposals that were approved in 2014 but were unable to execute, and intend to do so in 2015, they should write a minute to the PSIP Unit indicating such. The entire proposal does not need to be resubmitted.

However, if the scope of work or other aspects of an approved project has changed, the project has to be resubmitted, clearly identifying the changes made.

No capital projects should be executed under recurrent expenditure. Any projects which commenced in this manner prior to 2015 should be submitted in the PSIP proposal format for consideration in the development Estimates for FY2015.

In the column headed Approved 2014 use the expenditure data submitted in your appropriation account. In the column headed Committed Expenditure 2013, insert against each item the total commitments to December 31, 2013. In the column headed Budget 2015 insert against each item the sum required for funding the project during fiscal year 2015.

- 4.4 **IN ADDITION, THE ANNUAL ESTIMATES OF DEVELOPMENT PROGRAMME EXPENDITURE SHOULD BE BROKEN DOWN ON A MONTH-BY-MONTH BASIS AND SHOWN SEPARATELY IN THE FORM SPECIFIED IN APPENDIX III (b) ENTITLED “MONTHLY PROJECTIONS OF DEVELOPMENT PROGRAMME ESTIMATES FOR 2015”.**

Minor Capital Items

The request for new Minor Capital items should also be submitted in the **Appendix III(a)**. In the column headed Approved 2015 insert against each item the sum required for purchasing item during the Fiscal Year 2015. Minor Capital items that were requested in FY 2014 by use of Special Warrants must also be submitted. The form specified in **Appendix III(b)** should be filled out to show the time of year the Minor Capital item will be purchased.

New Projects and Unreported Projects

Attachment A- PSIP Form should be used only for the preparation of new projects and continuing projects that were never submitted through the PSIP process even though funded through Special Warrants. The Capital Budget should be prepared only if the project has been accepted by the Development Planning Unit. The project must be evaluated, screened and approved by the Development Committee within the Ministry of Finance and Corporate Governance. Any projects that have failed to meet the necessary requirements would not be considered.

All PSIP Forms must be submitted to the Development Planning Unit, Ministry of Finance and the Economy by October 10, 2014.

Information required for development of PSIP proposal

4.5. In order to enable a proper assessment to be made of both the current expenditure requirements of your Ministry/Department in 2015 and the demand for capital funds which the projects included in your 2015 programme will generate, the following additional information should be presented in support of your submission:-

- (i) The name of the project and a brief statement of its objectives.
- (ii) The name of the executing agency and of the contact persons(s) along with the contact information; project document(s) should be provided if available.
- (iii) The current estimated cost of implementation.
- (iv) The phase/phases scheduled to be completed by December 31, 2015 and the projected expenditure from commencement of the project to that date.
- (v) The estimated expenditure on the project for fiscal year 2015.
- (vi) The phase/phases scheduled to be completed in 2015 and the estimated cost, and the estimated date of completion.

- 4.6.
- (1) Where architectural, engineering or other consultants have been engaged to provide services required for the execution of projects, such consultants should be called upon to supply the required data regarding phasing and cost in time for inclusion in your Draft Estimates.
 - (2) Where such services are being provided by the Ministry of Public Works or some other Government Agency, you should ensure that the Ministry or Agency is approached in time for the data to be provided to you for inclusion in your Draft Estimates.
 - (3) For each item of recurrent expenditure associated with each capital project/ activity, the department needs to submit a multi-year budget in the format shown in the **Budget Plan – Appendix I** and include these items in **Appendix II (a)**.

Priority to be given to Projects

- 4.7. With respect to the appropriation of funds for development projects to be executed in 2015, the following order of priority will apply:-
- (i) Projects fully funded by international donor agencies or outside the Consolidated Fund
 - (ii) Continuing projects partially funded by international funding agencies;
 - (iii) Continuing projects funded entirely by the Government of Antigua and Barbuda in respect of which contracts have been awarded or tenders have been accepted or tenders have been invited;
- 4.8. In respect of new projects, in addition to stating the specific activity or activities to be funded in 2015, the **Cabinet Decisions or other authority for including such projects in the 2015 Draft Development Programme Estimates must be indicated and attached.** In seeking the inclusion of new projects, highest priority will be given to those projects that have identified funding apart from the Consolidated Fund which contribute directly and immediately to the productive base of the economy and therefore earn or save foreign exchange in the near term while at the same time making minimum call on current revenue.

Outstanding Accounts

- 4.9. Every effort should be made to pay all accounts for 2014 before the close of the 2014 fiscal year since payment of 2014 items in the new FY 2015 will obviously use up funds provided for in 2015.

Officer Responsible in Ministry of Finance and the Economy

- 4.10. Enquiries regarding preparation of the Development Estimates should be addressed to the Budget Director's Office and the Development Planning Unit.

Narrative Report on Development Programme 2015

- 4.11. Permanent Secretaries and Heads of Department/Accounting Officers are to submit, for inclusion in the Report on the Development Programme 2015 to be submitted to Parliament as a part of the 2015 Budget presentation, **one copy** of a Draft Narrative Report on the status of the projects for which funds have been appropriated under their respective agencies.
- 4.12. With respect to each project or group of projects, the Draft Narrative Report should include the following information:-
- (i) An introductory statement indicating the Government policy/policies to which it was intended to give effect;
 - (ii) Data on physical achievement and actual expenditure and commitments to August 31, 2014;
 - (iii) Data on expected physical achievements and expenditure to December 31 2014;
 - (iv) Details in respect of II and III above e.g. the number of school places, hospital beds, miles of road, housing units provided etc;

- (v) Problems impeding the implementation of projects;
 - (vi) New socio-economic situations arising in the period under review and any resultant changes in programmes and projects.
- 4.13. Project costs and expenditure data should be tabulated in the form shown in Appendix III(a) and attached to the Draft Narrative Report.
- 4.14. All Accounting Officers should check and verify that all information submitted is accurate. The Draft Narrative Report on the Development Programme 2015 must be submitted to the Budget Director **no later than October 10, 2014.**
- 4.15. All Ministers, Permanent Secretaries and Heads of Departments are requested to note that their individual and collective responsibilities to ensure that the Draft Development Programme Estimates 2015 and the Narrative Report on the Development Programme 2014 are submitted in the manner prescribed, on or before the dates stipulated in paragraphs 4.1 to 4.14 above.

5. Consultations with Individual Ministries/Departments

- 5.1. In order to ensure that adequate arrangements are made for consultation you should indicate, in your letter forwarding the draft **recurrent** estimates, whether or not your Development Estimates were also enclosed/attached.

Please be guided accordingly.



Financial Secretary
Ministry of Finance and the Economy

2015 Budget Allotments

01 Governor General	1,083,781
01 Governor General's office	1,083,781
02 Legislature	2,301,722
01 House of Representatives	1,850,050
02 The Senate	451,672
03 Cabinet	2,968,793
01 Cabinet	2,469,271
02 Cabinet Secretariat	499,522
04 Judicial	1,859,344
01 Judicial	1,859,344
05 Service Commissions	639,703
01 Public Service Commission	403,803
02 Police Service Commission	145,852
04 Public Service Board of Appeal	90,048
06 Audit	1,036,718
01 Auditor General's Department	1,036,718
07 Pensions and Gratuities	55,174,672
01 Pensions and Gratuities	55,174,672
08 PUBLIC DEBT	-
01 Public Debt	-
09 Electoral Commission	3,803,245
01 Electoral Commission	3,803,245
10 Office of the Prime Minister and Prime Minister's Ministry	22,679,500
01 Prime Minister's Office	6,745,018
08 Military	11,642,802
10 Passport Office	1,285,157
11 Office of National Drug Control Policy	3,006,523
11 Ministry of Foreign Affairs and International Trade	19,309,154
01 External/Foreign Affairs	5,809,154
02 Overseas Diplomatic & Consular Section	13,500,000
15 Ministry of Finance and Corporate Governance	76,067,627
01 Finance Headquarters	30,034,946
02 Treasury	26,782,200
03 Inland Revenue	5,785,932
04 Post Office	5,169,593
05 Customs and Excise	7,243,242
07 Development Planning Unit	883,786
12 Social Security	167,928
20 Ministry of Agriculture, Lands, Fisheries & Barbuda Affairs	15,803,481
01 Ministry Headquarters	3,861,733
02 Agriculture Division	4,276,942
03 Veterinary and Animal Husbandry Division	1,500,962
04 Fisheries Division	1,161,165
05 Cotton Division	686,893
06 Lands Division	633,678
07 Agricultural Extension Division	1,084,478
08 Chemistry and Food Technology Division	541,800
09 Surveys Division	1,014,900
12 Development Control Authority	720,122
13 Barbuda Administrative and General Services	320,808

2015 Budget Allotments

25 Ministry of Health & The Environment	58,063,374
01 Ministry Headquarters - Health	10,191,956
02 Medical General Division	9,370,617
03 Central Board of Health	26,991,956
05 Clarevue Psychiatric Hospital	5,189,857
06 Fiennes Institute	2,969,120
07 Health Information Division	404,477
08 School Of Nursing	998,536
09 Aids Secretariat	928,397
22 Environment	1,018,458
Ministry Of Social Transformation & Human Resource	
45 Development	13,195,407
01 Social Transformation	1,067,011
02 Board of Guardians	1,618,946
03 Community Development Division	404,829
04 Substance Abuse Prevention	240,358
05 Citizens Welfare Division	2,788,437
06 National Office of Disaster Services	820,626
08 Social Policy Unit	423,790
09 Gender Affairs	515,517
10 Youth Affairs	440,012
11 Local Government	297,605
12 Establishment	4,033,591
13 Training Division	544,685
30 Ministry of Education Science & Technology	74,812,858
01 Ministry Headquarters	5,383,227
02 Administration of Education Services Administration Unit	5,150,681
03 Primary & Secondary Education Division	50,064,231
05 State College	4,748,714
06 Public Library	1,017,578
07 Antigua Archives	305,300
08 ABICE	1,410,643
09 Boys Training School	638,457
12 National School Meals Programme	6,094,027
15 ABITT	2,530,000
35 Ministry of Public Utilities, Civil Aviation & Transportation	6,453,346
01 Civil Aviation	1,969,855
02 V C Bird International Airport	2,936,835
03 Meteorological Office	1,546,656
40 Ministry of Works & Housing	66,507,602
01 Ministry Headquarters	9,563,569
02 Works Division	52,635,672
03 Design and Control Division	617,219
04 Equipment Maintenance and Funding Scheme	3,691,142
55 Attorney General's Office and Ministry of Justice and Legal	68,987,065
01 Legal Affairs Headquarters	3,091,756
02 Director of Public Prosecutions	756,927
03 Government Printery	1,427,041
04 Land Registry Division	551,176
05 Industrial Court	457,888
06 High Court	1,371,884
07 Magistrates Court	1,264,850
08 Legal Aid and Advice Centre	785,234
09 Intellectual Property	634,354
10 Labour	8,506,424
11 National Security Headquarters	1,208,933
12 Police	30,703,056
13 Police Training School	136,280
14 Fire Brigade	8,738,404
15 Prison	3,376,763
16 Immigration	5,976,095
60 Office of the Ombudsman	439,329
01 Office of the Ombudsman	439,329

2015 Budget Allotments

80 <u>Ministry of Tourism , Economic Development, Investment &</u>	19,146,682
01 Ministry Headquarters	10,259,958
03 Antigua Tourist Office	2,905,960
04 Overseas Tourism Offices	4,871,520
09 Beach, Safety and Protection Unit	1,109,244
<u>Ministry of Trade, Commerce & Industry, Sports, Culture &</u>	
85 <u>National Festivals and Community Service</u>	15,384,379
01 Trade and Economic Development	2,213,640
02 Industry and Commerce	228,476
03 Prices and Consumer Affairs	722,622
04 Bureau of Standards	718,484
05 Sports	5,881,937
06 Department of Culture	4,793,796
07 Statistics	825,424
95 <u>Ministry of Information, Broadcasting, Telecommunications</u>	10,030,226
01 Public Information and Broadcasting	3,067,196
02 Information Technology Centre	5,865,538
03 Telecommunications Division	1,097,492
 Total Recurrent Expenditure	 535,748,008
 Total Recurrent Revenue	 638,999,999

BUDGET GUIDE

This is a guide on how to fill out the appendices necessary for the preparation of your budget for FY 2015. The forms have been rationalised so as to better serve in the compilation process of the budget estimates and eliminate the wastage of time and paper. Please note that some of the appendices have been removed from the circular and a new one is added; therefore due care **must** be taken when preparing the forms.

Budget submissions should reach the Budget Office, Ministry of Finance and Corporate Governance NOT LATER THAN 17th OCTOBER, 2014 and PSIP submission forms should reach the Development Planning Unit (DPU) not later than October 10, 2014.

BUDGET PLAN

The budget plan is a tool that is to be used by the Ministry/ Department to cost/finance its vision and mission as well as formulate its work plan for the coming 3 years. It is to be used as a template by the Ministry/Department in creating their 3-year budget as mandated under the Finance Administration Act 2006.

In preparing the budget plan the Ministry/ Department should analyse its performance for the previous financial year and the current financial year to date (January – June). Objectives that were set for the year should also be identified. Successes, failures, and associated causes, as well as areas where there could be improvement should also be indicated. Additionally, the Ministry/ Department should identify their future objectives and designate the performance indicators by which they are to be held accountable (i.e. milestones).

The Budget Plan template can be used by Ministry/ Department to rationalise its organisational activity structure. It offers technical officers the ability to visualise their spending and accomplish the main purpose for the Ministry's/Department's existence.

Through this tool (the Budget Plan) plans will be costed, thereby laying the foundation to determine the inputs needed to fill out the other appendices in the circular. An example of a semi-complete plan is included as a guide. The information required for section 2.2 comes from Appendices II(a) and III(a).

REVENUE

Appendix I(a) is the form in which all revenues earned by each department are listed. The column "Actuals 2013" shows the amount that was collected by the said department during FY 2013 for each item according to your receipt books. Any new revenue items that are to be introduced into a department's budget will be shown here.

Appendix I(b) is the monthly spread form for recurrent detailed items of revenue. You must use this form to project your anticipated monthly collections for the coming fiscal year based on past trends of revenue collection.

Appendix I(c) is used by the department to evaluate its performance by analyzing its revenue collections to date by item, revise its projections for this current financial year based on their mid-year success and the economic climate, and give explanations for the variances.

EXPENDITURE

Appendix II(a), in the column "Total Amount Committed 2013": The figures you will place in this column will come from the total amount spent according to your vote book for each item. The other columns "Approved Budget 2014" and "Revised Budget 2014" get their information from the original budget (for the "Approved Budget 2014" column) and the original budget plus any supplementary appropriation (for the "Revised Budget 2014" column) that was received for each detailed item. These also form a part of the budget plan as a part of section 2.2.

Appendix II(b) is the monthly spread form of recurrent detailed items of expenditure. You must use this form to project your anticipated monthly expenditure for the coming financial year based on your past trends. Please note that for 30202 wages the total amount for the new financial year is to be divided by 52 (to get the weekly amount), then the answer multiplied by the number of pay weeks in each month for the new financial year (some months have 4 pay weeks and others have 5).

Appendix II(c) is used to prepare the staff list and to separate them according to their respective Activities, distinguishing clearly between Established (30101) and Non-Established Salaries (30201) and wages (30202). Also, it is to be used to separate each allowance applicable to that Ministry/Department into their respective Activities, as well as categories of worker.

N.B.

All vacancies to be filled, upgrades or new acting appointments that will come in to effect in 2015 are to be submitted on a separate Appendix II(a) and II(c) form entitled "vacancies/upgrades/acting 2014". Therefore the main Appendices II(a), (b), and (c) forms are only to show the current employment and associated emoluments.

- For persons acting in a higher post within the same department the difference in salary should be placed under either of the heads 30318 "Acting Allowance Established" or 30418 "Acting Allowance Non-Established". An Appendix II(c) form should be filled out entitled "Acting Allowance" which should list the name of the person at the designation of the higher post and the difference between the substantive salary (and allowances if applicable) and the higher position.*
- For persons who have been seconded to the department they should be listed under either of the heads 30318 "Acting Allowance Established" or 30418 "Acting Allowance Non-Established". An Appendix II(c) form should be filled out entitled "Acting Allowance" which should list the name of the person, and the department from which they were seconded. If the new post to which the person is seconded is higher than his or her substantive post and the Department or Establishment Division is responsible for paying the difference, then the amount that is recorded should be the difference between his or her substantive post and the new post.*
- If an officer from your department is being/ was seconded, indicate the new department they have been or will be seconded to.*

Appendix III(a) is "Capital Expenditure" form, that is to be used to show any capital requests needed by the department for the new financial year. These requests would include the monies needed to complete the different phases for projects (both new and ongoing) approved by the PSIP screening process, which will fall within that financial year. They should also include requests for the purchase of minor capital items that do not qualify for the PSIP screening process. (Departments should use the activity code "690 – Purchase of Minor Capital Items" along with their relevant program code when doing this.) These form a part of the budget plan as a part of section 2.2.

Departments which have submitted proposals that were approved for 2014 by the Development Planning Committee but were unable to execute, and intend to do so in 2015, should write a minute to the Development Planning Unit indicating such.

Departments can contact the Development Planning Unit at 562-2689/ 562-1662 to obtain the PSIP Guide with the instructions on how to fill out and submit and the necessary forms.

Appendix III(b) is the monthly spread form for capital detailed items of expenditure. You must use this form to project your anticipated monthly capital expenditure based on your plans to spend during the coming financial year.

Appendix IV is the "Established Staff List". On this form you will list all the posts within your department and indicate what posts are filled, what are to be filled in the coming year and what will remain vacant.

Appendix V is the "Non-Established Staff List". On this form you will list all the filled posts within your department. Please indicate positions to be filled in the coming year and provide the relevant documentation.

Appendix VI is the "Unpaid Vouchers" form. As explained in previous circulars you will list all unpaid vouchers by filling out the relevant columns. This is in an effort for the Ministry of Finance to create an accurate database of the amounts owing by the government and to whom they are indebted. Once this process is complete they will then be able to formulate a holistic plan on how to clear these debts. An example is included.

Appendix VII is the "Statutory Corporations and Organisations List". All organisations and statutory corporations paid using **the detail item codes in the 339 series (Contributions and Subscriptions) and the 370 series (Transfers and Grants)** must be placed on this list along with their annual contributions. Any amounts outstanding should also be shown. The organisations referred to by this list may be local, regional or international.

Appendix VIII is the "Consulting Services List". All persons and/or companies that are paid using **the detail item codes 34007 (Consulting Services)** must be placed on this list along with their annual payments.

Appendix IX is for those Ministries/Departments which pay Boards and Committees. Please provide a list of all boards as well as positions and respective remuneration.

Budget submissions should reach the Budget Office, Ministry of Finance no later than October 17th, 2014; and PSIP submission forms should reach the Development Planning Unit (DPU) no later than October 10th, 2014.